

## **IC 28-1-21.9**

Chapter 21.9. Charter Conversion of a Mutual Savings Bank to a Stock Savings Bank

### **IC 28-1-21.9-1**

#### **Charter conversion**

Sec. 1. As used in this chapter, "charter conversion" means the conversion of a savings bank to a stock savings bank, including any of the following:

- (1) A conversion in connection with the formation of a holding company.
- (2) An acquisition involving an existing corporation.
- (3) A merger with an existing financial institution.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.36.*

### **IC 28-1-21.9-2**

#### **Conversion plan**

Sec. 2. As used in this chapter, "conversion plan" refers to the plan of charter conversion of a savings bank to a stock savings bank required by this chapter.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.37.*

### **IC 28-1-21.9-3**

#### **Effective time of the charter conversion**

Sec. 3. As used in this chapter, "effective time of the charter conversion" means:

- (1) the date that articles of conversion are filed with the secretary of state; or
- (2) the date designated in the articles of conversion.

*As added by P.L.42-1993, SEC.44. Amended by P.L.122-1994, SEC.86.*

### **IC 28-1-21.9-4 Repealed**

*(Repealed by P.L.262-1995, SEC.91.)*

### **IC 28-1-21.9-5**

#### **Office of Thrift Supervision**

Sec. 5. As used in this chapter, "Office of Thrift Supervision" means the primary federal regulator of savings associations.

*As added by P.L.42-1993, SEC.44.*

### **IC 28-1-21.9-5.5**

#### **Savings bank**

Sec. 5.5. As used in this chapter, "savings bank" has the meaning set forth in IC 28-6.1-2-6.

*As added by P.L.262-1995, SEC.38.*

### **IC 28-1-21.9-6**

**Stock savings bank**

Sec. 6. As used in this chapter, "stock savings bank" means a savings bank that is:

- (1) owned by holders of capital stock; and
- (2) formed by conversion under this chapter.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.39.*

**IC 28-1-21.9-7****Voting parties**

Sec. 7. As used in this chapter, "voting parties" means the:

- (1) depositors; and
- (2) borrowers;

of a savings bank.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.40.*

**IC 28-1-21.9-8****Conversion to stock savings banks**

Sec. 8. With the approval of the department, a savings bank may convert its charter under this chapter.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.41.*

**IC 28-1-21.9-9****Conversion procedures**

Sec. 9. (a) The department shall prescribe procedures for charter conversions under this chapter.

(b) The procedures prescribed by the department must include the following:

- (1) The savings bank must prepare and submit a conversion plan to the department that provides the terms and conditions of the charter conversion as required by the department. The conversion plan shall stipulate the manner of distribution of stock.
- (2) The conversion plan must be adopted by not less than a majority of the board of directors of the savings bank.
- (3) Upon approval of a plan of charter conversion by the board of directors of the savings bank, the conversion plan and a certified copy of the resolution of the board of directors approving the conversion plan shall be submitted to the department for approval.
- (4) The conversion plan shall be conditioned upon the approval of not less than a majority of the total number of votes eligible to be cast at a regular or special meeting of the voting parties. In obtaining the approval of the conversion plan by the voting parties, the converting savings bank shall provide to the voting parties the information regarding the conversion plan that the department requires. In determining the information that must be provided, the department shall give due consideration to the

requirements of the Office of Thrift Supervision regulations relating to proxy statements governed by Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n).

(5) The savings bank shall provide to the department the additional relevant information requested by the department in connection with the conversion plan.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.42.*

#### **IC 28-1-21.9-9.5**

##### **Voting rights**

Sec. 9.5. The voting parties of a savings bank have the voting rights set forth in IC 28-13-6-2 with respect to a charter conversion of the savings bank under this chapter.

*As added by P.L.262-1995, SEC.43.*

#### **IC 28-1-21.9-10**

##### **Approval or disapproval of conversion plans by department; hearings; solicitation of votes**

Sec. 10. (a) The department may approve or disapprove the conversion plan filed under section 9 of this chapter.

(b) The department is not required to hold a hearing on the conversion plan.

(c) Solicitation of the votes of voting parties may occur before the savings bank receives approval of the department, if the director of the department has reviewed the proxy solicitation material and has notified the savings bank in writing that the department does not object to use of the material.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.44.*

#### **IC 28-1-21.9-11**

##### **Conditions for approval of conversion plans**

Sec. 11. The department may not approve the conversion plan unless the department finds, after appropriate investigation or examination, all of the following:

(1) That the resulting stock savings bank will operate in a safe, sound, and prudent manner.

(2) That the proposed charter conversion will not result in a stock savings bank that has inadequate capital, unsatisfactory management, or poor earnings prospects.

(3) That the management or other principals of the savings bank are qualified by character and financial responsibility to control and operate in a legal and proper manner the proposed stock savings bank.

(4) That the interests of the depositors, the creditors, and the public generally will not be jeopardized by the proposed charter conversion.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.45.*

#### **IC 28-1-21.9-12**

##### **Rights and obligations of converted stock savings banks**

Sec. 12. At the effective time of the charter conversion, the resulting stock savings bank:

- (1) possesses all of the rights, privileges, immunities, and powers of a stock savings bank;
- (2) unless otherwise provided in this chapter, is subject to all of the statutes, regulations, duties, restrictions, obligations, and liabilities of a stock savings bank;
- (3) succeeds by operation of law to all rights and property of the converting savings bank; and
- (4) is subject to all debts, obligations, and liabilities of the converting savings bank as if the stock savings bank had incurred the debts and liabilities.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.46.*

#### **IC 28-1-21.9-13**

##### **Transitional period**

Sec. 13. The department may authorize the resulting stock savings bank to do the following:

- (1) Wind up any activities legally engaged in by the savings bank at the effective time of the charter conversion not permitted to stock savings banks.
- (2) Retain for a transitional period any assets legally held by the savings bank at the effective time of the charter conversion that otherwise may not be held by stock savings banks.

The terms and conditions of the transitional period under subdivisions (1) and (2) are subject to the discretion of the department. However, the transitional period may not exceed ten (10) years after the effective time of the charter conversion.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.47.*

#### **IC 28-1-21.9-14**

##### **Retention of branches**

Sec. 14. Notwithstanding IC 28-6.1-12, a stock savings bank created by charter conversion may retain all branches lawfully established.

*As added by P.L.42-1993, SEC.44.*

#### **IC 28-1-21.9-15**

##### **Articles of charter conversion**

Sec. 15. (a) To effect the charter conversion, the converting savings bank must file with the secretary of state articles of charter conversion showing the approval of the director of the department.

(b) The converting savings bank shall record copies of the articles of charter conversion with the county recorder of the county where the principal office of the stock savings bank is located.

(c) The articles of charter conversion constitute articles of

incorporation and must set forth the elements required in IC 28-12-2-1.

*As added by P.L.42-1993, SEC.44. Amended by P.L.262-1995, SEC.48.*

#### **IC 28-1-21.9-16**

##### **Application of banking law**

Sec. 16. (a) Except as provided in subsection (c), a stock savings bank formed under this chapter is governed by IC 28-6.1.

(b) For purposes of a stock savings bank formed under this chapter, a reference in IC 28-6.1 to formation and operation by a board means:

- (1) formation by conversion under this chapter; and
- (2) operation by a board of directors elected by shareholders under IC 28-13.

(c) IC 28-6.1-3 does not apply to a stock savings bank formed by conversion under this chapter.

*As added by P.L.42-1993, SEC.44.*

#### **IC 28-1-21.9-17**

##### **Rules**

Sec. 17. The department may adopt rules under IC 4-22-2 or policies to implement this chapter.

*As added by P.L.42-1993, SEC.44.*